

Message Text

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ACTION EUR-12

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AMCONSUL VANCOUVER
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E.O. 11652: N/A
TAGS: ELAB, CA
SUBJ: ONTARIO PREMIER CALLS FOR COURT TEST OF QUEBEC LABOR LAW

REF: OTTAWA 3622 AND PREVIOUS

SUMMARY- ONTARIO-QUEBEC DISPUTE OVER QUEBEC LABOR LAW WHICH SEVERLY RESTRICTS EMPLOYMENT OF NON-RESIDENT CONSTRUCTION WORKERS (REFTEL) HAS BEEN GIVEN ANOTHER TWIST BY ONTARIO PREMIER DAVIS IN RECENT LETTER TO PRIME MINISTER TRUDEAU IN WHICH DAVIS ARGUES THAT EFFORTS TO RESOLVE PROBLEM HAVE BEEN EXHAUSTED AND THAT MATTER SHOULD NOW BE REFERRED TO CANADIAN SUPREME COURT. PRESSURES ON DAVIS ARE ILLUSTRATED BY OPPOSITION CALLS TO BROADEN THE DISPUTE AND BY POSSIBLE MOVE IN TORONTO METRO COUNCIL TO INITIATE PURCHASING BOYCOTT AGAINST ALL QUEBEC-BASED FIRMS. END SUMMARY.

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1. ONTARIO MINISTER OF INTERGOVERNMENTAL AFFAIRS THOMAS WELLS MADE PUBLIC AUG. 24 A LETTER FROM ONTARIO PREMIER DAVIS TO P.M. TRUDEAU DATED AUG. 14 IN WHICH DAVIS ARGUED THAT SINCE TRIPARTITE (FEDERAL-ONTARIO-QUEBEC) EFFORTS TO RESOLVE DISPUTE OVER QUEBEC RESTRICTIONS ON NON-RESIDENT CONSTRUCTION WORKERS (REFTEL) HAVE FAILED, MATTER SHOULD BE REFERRED TO SUPREME COURT OF CANADA.

REFERRING TO MONTH-LONG NEGOTIATIONS CONDUCTED BY FEDERAL, QUEBEC AND ONTARIO LABOR MINISTERS, DAVIS WROTE THAT "WE HAVE NOW EXHAUSTED ALL REASONABLE EFFORTS TO RESOLVE OUR DIFFERENCES". DAVIS ADDED THAT WHILE HE AGREED THAT THIS PERIOD OF FURTHER EXPLORATION WAS ESSENTIAL HE HOPED THAT TRUDEAU WOULD "NOW AGREE THAT A DECISION ON MY REQUEST FOR A COURT REFERENCE SHOULD NOT BE FURTHER DALAYED."

2. AS REPORTED PREVIOUSLY, BILL WAS INTRODUCED IN ONTARIO

LEGISLATURE IN JUNE WHICH, IF PASSED, WOULD IMPOSE SIMILAR RESTRICTIONS ON QUEBEC WORKERS IN ONTARIO. DAVIS HAS PREVIOUSLY SAID THAT IF SUPREME COURT FAILS TO TAKE ACTION, OR RULES IN FAVOR OF QUEBEC, ONTARIO LEGISLATURE WILL PASS THE BILL. IN INTERVIEW FOLLOWING RELEASE OF DAVIS' LETTER, WELLS TOLD PRESS THAT RECENT EFFORTS TO FIND A POLITICAL SOLUTION HAVE PROVIDED NO INDICATION OF HOPE FOR A SOLUTION. HE SAID ONTARIO "HOPES" TO RECEIVE ANSWER FROM TRUDEAU WITHIN ONE WEEK.

3. DISPUTE OFFERS ALMOST IRRESTIBLE TEMPTATION FOR A BIT OF JINGOISTIC TUB-THUMPING ON BOTH SIDES. ONE EXAMPLE IS RECENT CALL FOR RETALIATION BY ONTARIO LIBERAL PARTY LEADER STEWART SMITH. IN LETTER TO WELLS MADE PUBLIC AUG. 22, SMITH SUGGESTED THAT ONTARIO'S PROPOSED RETALIATORY LEGISLATION SHOULD BE BROADENED TO INCLUDE HEAVY EQUIPMENT CONTRACTORS. IN MAKING HIS PROPOSAL, SMITH CITED CURRENT QUEBEC REGULATIONS THAT LIMITED OFFICIAL USE

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REQUIRE (A) THAT ONTARIO OPERATORS BUY A QUEBEC LICENSE FOR EACH PIECE OF EQUIPMENT TO BE USED IN QUEBEC, (B) THAT ONTARIO CONTRACTORS MUST PAY 8 PERCENT QUEBEC SALES TAX ON EACH ITEM OF EQUIPMENT TO BE USED THERE EVEN THOUGH SALES TAX ALREADY PAID IN ONTARIO WHERE IT WAS PURCHASED AND (C) A BAN ON ONTARIO BIDS ON CONSTRUCTIONS PROJECTS FUNDED IN PART OR IN WHOLE BY QUEBEC GOVERNMENT.

3. CALLS FOR "RETALIATION" HAVE EVEN SPREAD TO LOCAL LEVEL. MUNICIPAL OFFICAL TOLD US RECENTLY IN CONFIDENCE THAT SEVERAL METRO ALDERMAN HAVE REQUESTED CITY PURCHASING OFFICER TO COMMENT ON A DRAFT ORDINANCE WHICH WOULD PROHIBIT METRO GOVERNMENT OR ANY OF ITS AGENCIES FROM MAKING ANY PURCHASES FROM QUEBEC FIRMS. SOURCE INDICATED THAT PURCHASING OFFICER IS "DRAGGING HIS FEET" IN RESPONDING TO REQUEST AND HE WAS NOT CERTAIN WHEN OR IF MEASURE WOULD BE INTRODUCED. NONE-THELESS, FACT THAT IT IS EVEN BEING CONSIDERED IS INDICATIVE OF THE EMOTIONS THAT THIS DISPUTE IS CAPABLE OF ENGENDERING. DIGGINS

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